

Legislative Fiscal Bureau

Fiscal Note

SF 313 - Collective Bargaining (LSB 2863 SV.1)

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Fiscal Note Version — As amended and Passed by the Senate

Description

Senate File 313, as amended and passed by the Senate, requires an arbitrator to compare the total compensation, including benefits, of the employees subject to the arbitration to private sector and public employees as reported by the United State Department of Labor, Bureau of Labor Statistics.

The Bill requires the arbitrator to take into consideration the impact of financing the provisions of the collective bargaining agreement on the public employer.

The Bill also eliminates the requirement that the arbitrator considers the power of the public employer to levy taxes and appropriate funds.

Assumptions

1. The Bill eliminates the requirement that the arbitrator consider the employer's ability to levy taxes.
2. The arbitrator would still be required to consider the interests and welfare of the public, the ability of the public employer to finance economic adjustments, and the effect of such adjustments on the normal standard of services.
3. According to the Department of Management, each 1.0% increase in salaries for all State employees is estimated to cost the General Fund \$13.0 million for FY 2004.
4. The Central American Federation of State, County and Municipal Employees (AFSCME) has agreed to a two-year contract covering FY 2004 and FY 2005. The Central American Federation of State, County and Municipal Employees (AFSCME) initially asked for an across-the-board increase of 5.0% and a 5.0% step increase for eligible employees effective July 1, 2003, and July 1, 2004, as well as changes relating to health care. The State responded with an offer of an across-the-board increase of 1.0% and a 2.5% step increase for eligible employees effective July 1, 2003, and July 1, 2004, as well as changes relating to health care. An agreement was reached in February 2003 that provides for the following:
 - a. An across-the board increase of 2.0% effective July 1, 2003, and January 1, 2005 with a 4.5% step increase for eligible employees and a 2.0% increase in the pay plan maximums effective January 2005.
 - b. The State will increase the current 80.0% contribution on the cost of a family health plan to 82.0% effective January 2004 and to 85.0% effective January 2005.
 - c. The State will increase the maximum match on Deferred Compensation contributions from \$25 to \$50, effective January 2005.
 - d. The Department of Management estimates the cost of the AFSCME agreement from all funds to be \$28.5 million for FY 2004 and \$45.9 million for FY 2005.

Fiscal Impact

Due to insufficient information, the fiscal impact of SF 313, as amended and passed by the Senate, cannot be determined.

Sources

Iowa Department of Management
Iowa Public Employment Relations Board (PERB)
Iowa Department of Personnel

/s/ Dennis C Prouty

April 1, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
